

# **RHODE ISLAND INDUSTRIAL FACILITIES CORPORATION**

**July 26, 2012**

## **PUBLIC SESSION**

A meeting of the Board of Directors of the Rhode Island Industrial Facilities Corporation ("RIIFC") was held in public session at the offices of the Rhode Island Economic Development Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island on Thursday, July 26, 2012 beginning at approximately 9:00 a.m. pursuant to a Notice and Agenda duly posted and sent to all members.

Members present and attending the meeting: Mr. David Piacitelli, Mr. Michael Kehew Mr. John Ward and Mr. Ronald Renaud. Mr. William Parsons was not present at the start of the meeting. Also present and attending were Mr. Earl F. Queenan, Jr., Mr. Sean Esten, Mr. Adam Quinlan, Ms. Denise Barge, Mr. Daniel Price, Ms. Stacy Farrell, RIEDC staff, and Mr. Antonio Afonso, Jr., Esquire, of Moses & Afonso, Ltd., Counsel to RIIFC. Mr. Piacitelli, Chairman of the Board, called the meeting to order at 9:02 a.m.

## **ACCEPTANCE OF THE MINUTES OF April 26, 2012**

The first item to come before the Board was consideration of the adoption of the Public Session Minutes of the Meeting of the Board of Directors held on April 26, 2012. A motion was made by Mr. Kehew to adopt the Minutes of the April 26, 2012 meeting. This motion was seconded by Mr. Renaud. Following the motion and second, the motion to accept the Minutes was adopted, with the noted correction, as follows: Mr. Kehew - yes, Mr. Renaud - yes, and Mr. Ward – yes.

MAINTAIN THE EXECUTIVE SESSION MINUTES OF THE MEETING HELD ON  
APRIL 26, 2012 AS CONFIDENTIAL

The second item to come before the Board was to maintain the Executive Session Minutes of the Meeting of the Board of Directors held on April 26, 2012 as confidential. Mr. Ward noted that the first agenda item did not include the acceptance of the Executive Session minutes from the April 26, 2012; therefore he noted that the motion should include the acceptance as well. A motion was made by Mr. Ward to accept the minutes as presented and to maintain the Executive Session Minutes of the meeting as confidential, which motion was seconded by Mr. Kehew. Following the motion and second, the motion was adopted as follows: Mr. Kehew - yes, Mr. Renaud - yes, and Mr. Ward – yes.

Mr. Parsons joined the meeting at this time.

REVIEW OF INTERNALLY PREPARED FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED JUNE 30, 2012

Mr. Queenan presented the internally prepared financial statements for RIIFC for the period ending June 30, 2012 (Exhibit A). Mr. Kehew asked if the current default of CAPCO would impact the financial statements of RIIFC. Mr. Queenan responded that they would not be impacted because the fees for the RIIFC bond were collected up front on this transaction, rather than being paid on a monthly basis. The bond fee was taken into RIIFC as ‘deferred income’ therefore would continue to be represented on the financial statements on a monthly basis. The Board did not have any further questions or comments regarding the financial statements.

## ELECTION OF EARL F. QUEENAN AS THE TREASURER OF THE CORPORATION AND

### APPROVED SIGNATORY OF THE CORPORATION'S DEPOSIT ACCOUNTS

The next item to come before the Board was the election of Earl F. Queenan as the Treasurer of the Corporation. A Resolution was distributed (Exhibit B) for the Board to review and sign which noted that the appointment was being made due to the departure of Sue Morgan from the Corporation which left a vacancy in the Treasurer role. A motion was made by Mr. Kehew to appoint Mr. Queenan as the Treasurer of the Corporation, which motion was seconded by Mr. Renaud. Following the motion and second, the motion was adopted as follows: Mr. Kehew - yes, Mr. Renaud - yes, Mr. Parsons- yes, and Mr. Ward – yes.

### OTHER BUSINESS

Mr. Piacitelli called for any other business to come before the Board.

Mr. Queenan addressed the Board in order to provide an update on the default of CAPCO Steel. He noted that the RIIFC Board approved the issuance of a \$5 million taxable bond to CAPCO Steel, which was a direct placement bond, purchased by Webster Bank. The bond was then approved by the Rhode Island Industrial Recreational Building Authority ("IRBA"), which provides mortgage payment insurance. He stated that the company was doing well up until January of 2012. He noted that IRBA has been making mortgage payments on the company's behalf since April of 2012. The insured financing is currently in a workout with Webster Bank. The company currently has a significant amount of receivables for work which was performed in New York and has never collected on. Mr. Queenan also stated that there was equipment and real estate available to IRBA as collateral which could be liquidated to reduce its exposure which is

currently approximately \$4.6 million. Mr. Afonso suggested that CAPCO be added as an executive session item in order to discuss any litigation matters associated with the transaction.

Mr. Queenan also addressed the Board regarding the current policy relating to Directors and Officers Insurance (“D&O Insurance”). He noted that the current \$5 million policy in place for RIIFC would expire at the end of August and that staff was currently working to get quotes on insurance coverage. This would be an agenda item for discussion at the next meeting.

### EXECUTIVE SESSION

Mr. Piacitelli asked if there were any items which needed to be discussed in Executive Session. There being none, the board did not move into Executive Session.

### ADJOURNMENT

Mr. Renaud made a motion to adjourn the meeting, which motion was seconded by Mr. Ward and adopted as follows: Mr. Parsons – yes, Mr. Ward – yes, Mr. Kehew – yes and Mr. Renaud- yes. The meeting was adjourned at approximately 9:18 a.m.

### SECRETARY’S CERTIFICATE

I, Sean W. Esten, Secretary of Rhode Island Industrial Facilities Corporation hereby certify that attached hereto is a true and accurate copy of minutes of the meeting of the Board of Directors of the Rhode Island Industrial Facilities Corporation held on July 26, 2012. These minutes were approved by the Board of Directors at the meeting held on August 23, 2012.

/s/ Sean Esten  
Sean W. Esten, Secretary